

Producers &
Rocky Mountain ISS
(Paid-Up Rev. 1996)

Paid-Up Oil and Gas Lease

THIS AGREEMENT, made and entered into this 21st day of August, 2009, by and between Benny Murdock and Lola Murdock, a(n) married couple

of 1069 Woodstock Road, King George, VA 22485-6001, herein referred to as "lessor" (whether or not joined), and Mineral Rights Leasing LLC, a Utah limited liability company whose address is 140 West 2100 South Suite #134, Salt Lake City, Utah 84115, herein referred to as "lessee".

WITNESSETH:

1. That lessor, for and in consideration of TEN AND MORE dollars (\$ 10.00), in kind paid, receipt of which is hereby acknowledged, and of the agreements of lessor hereinbefore set forth, hereby grants, leases and lets exclusively unto lessee the lands described below, for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil and gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roads, ways, plants, equipment, and structures thereon in process, use and take care of such oil and gas (which right shall include specifically a right of way and easement for ingress and egress from such lands to lessee, or its assigns, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roads, ways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inspect air, gas, water, brine and other hydrocarbons from the subsurface strata, and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said lands above or in conjunction with neighboring land, for the production, storing and taking care of oil and gas and the injection of oil, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Uintah, State of Utah, 19-wk.

Township 1 South, Range 1 East, U.S.M.
Section 2: SE/4 SE/4

Acre containing 40.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or leased by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by acquisition, accession, reversion or escheat as the result of a change in the boundaries or ownership of any river or stream traversing or adjoining the lands described above; (2) all original lands and rights which are or may be incident, appurtenant, related or attached to lands to lease in any title, interest or right to or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands located in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attached to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas wells, except to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or noncombustible, which is produced in a natural state from the earth and which constitutes a gaseous or gaseous-like state at ordinary temperature and pressure conditions, including but not limited to helium, ethane, carbon dioxide, hydrogen sulphide, coal bed methane gas, naphthalene gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, a well completed for the production of cooled methane gas shall be deemed to be producing gas under this lease at all times when decomposing of the natural source from which the cooled methane gas will be produced is occurring. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or holes or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred thirty (130) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; drilling operations shall be deemed to be commenced for a new well at such time as lessor has begun the construction of the wellhead receiver or the tool which provides access to the wellbore location; and drilling operations shall be deemed to be commenced with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessor has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessor may connect its wells the equal one-sixth (1/6) part of all oil produced and saved from the leased premises, or lessor may from time to time at its option purchase any royalty oil in its possession, paying the market price per barrel prevailing for oil of like grade and gravity in the field or area produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-sixth (1/6) of the gas sold or used, provided that no gas sold the royalty shall be one-sixth (1/6) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessor and a gas purchaser for such term and under such conditions as are customary in the industry. Price shall cover the net amount received by lessor after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contracts or regulatory orders. In the event lessor compresses, treats, purifies or dehydrates such gas (whether on or off the leased premises) or transports such gas off the leased premises, lessor in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed. Any transportation charges to the royalties herein will be at a rate that is similar to other transportation fees for production in the area.

3. This is a paid-up lease and all cash consideration first recited above and named herein have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rental, lessor agrees that lessor shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term terminate this lease as to all or any portion of the land described above, and as to any state or stratum, by delivering to lessor or by filing of record a release or releases, as is required of all oil and gas interests thereafter accruing to the acreage surrendered.

4. Any payment required to be made as lessor's payment to this lease, other than the payment of royalties, may be paid by lessor to the lessor or to lessor's credit in the Bank, at [Direct to Lessor] (or its successor or successor, or any bank with which it may be merged or consolidated, or which succeeds to its business assets or any part thereof, by purchase or otherwise) which shall continue as the depositary regardless of changes in the ownership of said bank or the oil and gas. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payment so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted, and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessor is then engaged in drilling operations, or within one hundred twenty (120) days of such cessation of production operations or resources drilling operations, and this lease shall remain in force so long as drilling operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, prior to or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessor) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall not be under obligation to market the oil or gas under terms, conditions or circumstances which, in lessor's judgment exercised in good faith, are unsatisfactory. When the lease is exercised in force in this manner, lessor shall pay or tender to the lessor or lessor's successors or assigns, an amount equal to \$1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise terminated as provided herein. In the event, on or before such succeeding shut-in royalty payment date while such well remains shut-in, lessor shall make payment to lessee or royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered to or before the st. in royalty date. Lessee's failure to pay or tender, or properly pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire undivided fee simple estate therein, then the royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole undivided fee. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein received of lessor.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. Lessee shall have the right at any time to receive all the advisory and fixtures placed on said premises, including the right to dem and remove same.

9. Lessee shall pay to lessor reasonable compensation for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines which traverse or cross lands below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn or to said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation), to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove easings.

10. Lessor hereby gives the right and power at any time and from time to time as a running right, either before or after production, as to all or any part of the land described above and as to any one or more of the formations hereinabove, to penetrate the leased estate and the mineral estate covered by this lease with other wells, leases or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in lessor's judgment it is necessary or advisable to do so, and irrespective of whether such other lease, lease or leases, likewise, will previously forecast to include formations not producing oil or gas may be referred to include such non-producing formations. The drilling or reworking of any well shall be accomplished by lessor according to filing of record of such utilization or reworking, a high description shall describe the well. Any well may include land upon which a well has been drilled or spud which drilling operations have been commenced.

Production, drilling, or reworking operations on a well that is under this lease. In lieu of the royalties described herein specified, lessor shall receive no production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the total production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit.

11. Lessee shall have the right to unite, pool, or combine all or any part of the land described above in one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease will terminate or expire during the life of such plan or agreement. In the event that the land described above or any part thereof shall become so operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different parts of the land covered by said plan, then the production allocated to any particular part of land shall, for the purpose of computing the royalties to be paid hereunder to lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land, and the royalty payments to be made hereunder to lessor shall be based upon production only, as so allocated.

12. If the entire of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants herein shall extend to the assignee, successors, assigns and assigns of the parties, and in the event of an assignment or subletting by lessor, lease shall be released and discharged as to the household rights so assigned or sublet from any liability to lessor thereafter occurring upon any of the covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, however accomplished, shall operate to enlarge the obligations of lessor or the rights of lessee or require separate accounting or satisfaction of separate tasks by lessee. Notwithstanding any actual or constructive knowledge of lessor to the contrary, no change in ownership of said land or of the right to receive royalties or other payments hereunder, or of any interest therein, whether by reason of death, conversion or any other cause, shall be binding on lessor, except as lessor's notice in any particular case within ten business days after lessor has been furnished a written notice thereof, and the reporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessor's opinion to establish the ownership of the claiming party.

13. In the event of condemnation, the protection of mineral properties and recovery of the greatest ultimate yield of oil and/or gas, lessor shall have the right to re-lease the leased premises with other parties in the same general area for the purpose of operating and maintaining reprocessing and recycling facilities, and for such purpose may lease such facilities, including input wells, upon leased premises, and to royalties shall be payable hereunder upon any gas used for reprocessing and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessor in writing of said offer in writing, including in the notice the name and address of the offeree, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessor elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessor's right draft payable to lessor or payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessor shall have sixty (60) days after receipt of said notice in which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be preceded to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessor. Neither the service of said notice nor the doing of any acts by lessor directed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessor has failed to perform all its obligations hereunder. This lease shall never be forfeited or canceled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessor fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

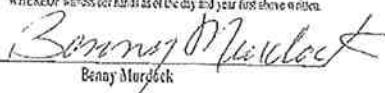
16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessor's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by, or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders issued as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, wars, strikes, lockouts, riots, or other conditions or circumstances not wholly controllable by lessor, and no lease shall be terminated in whole or in part, or lessor held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by, or is in conflict with any of the foregoing circumstances. The time during which lessor shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the circumstances above stated, shall be added to the primary term of the lease.

17. Lessee hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessor, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other debts existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by lessor for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to each for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.


Benny Murdock


Lola Murdock

ACKNOWLEDGMENT - INDIVIDUAL

STATE OF Virginia
COUNTY OF King George

BEFORE ME, the undersigned, a Notary Public, in and for said County and State,
on this 14 day of September 2009, personally appeared Benny and Lola Murdock, to me known to be the identical person's, described in and who executed the within and foregoing
instrument of writing and acknowledged to me that he/she duly executed the same at this place and voluntary and truly did, including the release and waiver of the right of homestead, and in the capacity
stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written

My Commission Expires: 2/28/11

Notary Public
Address


15375 Driftwood Rd.
King George, VA 22485

